FBI

NAVY

The new risk to the time by 114411

50X1-HUM SECRET - 2 -5. A similar feeling of fear prevails toward the CCF (Chinese Communist Forces). It should be noted that the people, aged men and women, never by a smile or a friendly gesture demonstrated any good will toward the CCF seen on a number of occasions. On the contrary, there was a feeling of great fear, and the contact 50X1-HUM was cold and reserved. Termination of Chinese Aid Program 6. The Sino-Korean agreement for economic and agricultural cooperation signed in November 1953 was terminated in October (1954) by the shipment of machines and goods valued at more than 40-million pounds sterling, in other words only 2,800,000 (sic) of the 8,000,000 (sic) total offered by China for the Korean economy.4 Opinions Expressed by Chinese Communists in North Korea The Chinese talk about nothing but peace and claim they find it abnormal for Korea to be divided, as "the aspiration of these people is only for unification. They claim this task, once accomplished, would betoken a long period of peace in the Far East. They let it appear that their policy is based on respect of 50X1-HUM sovereignty and territorial integrity, nonaggression, and the quest for peace at all costs through the development of fruitful international cooperation. 8. In the Korean problem, they claim the policy of the U.S. is to worsen the tension between the North and South and to keep the armistice settlement in a state of imbalance. It is obvious, they claim, that the U.S. is trying to widen the gap between the North and South and block the road leading to peace in Korea. In any event, they claim, the obstructiveness of the U.S. prevents the unification 9. In addition, they say the U.S. is supporting Nationalist China and supplying it with war materiel, with no other purpose than to increase the existing tension. They say the U.S. should understand that the Formosa question is an internal affair and should be settled only by the Chinese themselves. Propaganda and Radio There is an active propaganda campaign among the troops and in the schools. School children participate in propaganda parades wearing red ties and waving red flags and posters bearing the well known designs: hammer and sickle, the dove, etc. Pictures of MAO Tse-tung, CHOU En-lai and General NAM Il are displayed everywhere. Posters depicting the North Korean soldier's "victory in his struggle for freedom" have been placed in many places where people usually gather. Other posters show statistics of economic and social development and encourage the people to unite for collective work. 11. Loud-speakers broadcast news in Korean, Russian, and Chinese. Music is also broadcast as part of the propaganda campaign, but the people show a complete indifference to this method and even consider it a racket. Although there are 50X1-HUM many broadcasts, no gatherings are ever observed, even among the troops 12. U.S. broadcasts are almost continually garbled, especially on the 4-8 and 31 meters wavelengths. BBC broadcasts rarely encounter difficulty. 13. Bookstores sell only Soviet and Korean books. No Chinese literature was found despite a search of the area.

SECRET

50X1-HUM

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proper	Comment. Only by taking this background into consideration carly appraise the situation today.	n on 50X1-HUM
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aid re	2,000,000. At the rate of 23,000 yuan to US \$I, second fig	ture for 50X1-HUN
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